

# The role played by German VW works councils in the attack on Belgian workers' jobs

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Since the middle of November the Volkswagen works councils and trade union officials in Germany have repeatedly denied that they had anything to do with the decision by Volkswagen management to shift production of its Golf model from the VW plant in Brussels to two German plants in Wolfsburg and Mosel.

Immediately after the publication of plans for the transfer of production the chairman of the company works council, Bernd Osterloh, claimed that union officials were "completely surprised" by the decision of the executive committee. A few days later the press office of the IG Metall trade union in Wolfsburg published a statement declaring the union's solidarity "with Volkswagen workers in Brussels." According to the press release of November 30, the union "will not permit individual Volkswagen locations to be played off against one another."

Two days later 20,000 workers demonstrated through the center of Brussels to protest against the threatened closure of the VW factory in the city's suburb of Forest. Functionaries from IG Metall carried placards on the demonstration with the slogan, "Only together are we strong!" and a statement drafted by the trade union once again stressed, "We will not allow individual Volkswagen locations to be played off against one another."

The facts, however, tell a very different story.

On September 20 the German weekly *Der Spiegel* published a report on the meeting held at VW's parent plant in Wolfsburg, at which Osterloh spelled out the progress of negotiations relating to an increase in work time (without pay), shortening of breaks and other "measures aimed at increasing competitiveness," which had been demanded by management.

According to the *Spiegel* report, "Volkswagen works council boss Bernd Osterloh made the continuation of discussions dependent on concrete promises from the company management. 'If there is no movement, then things will get serious and we will break off discussions,' Osterloh said." A few paragraphs later, the report adds, "With regard to the promises, Osterloh has something very concretely in mind: The next generation of the Golf model is to be built in Wolfsburg. 'We will certainly not accept any 'perhaps' or 'let's see,' when it concerns securing the future of our locations' he said."

In a September 8 report by the German press agency dpa, the IG Metall district head for the state of Lower Saxony and Saxonia-Anhalt, Hartmut Meine is quoted as saying, "We are a step further: Volkswagen is apparently ready to give binding and lasting promises for production and investment for the six West German locations" (*Autohouse On-line*, 8 September 2006).

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IG Metall had converted the ongoing discussions with the Volkswagen management into official contract bargaining procedures, "because VW is ready to make concrete promises regarding production." The *FAZ* then writes that the trade union was demanding "binding promises for all six West German plants." The paper then quotes district leader Meine as follows: "Amongst other things the new Golf must be manufactured at the Wolfsburg plant . . ."

The claim that such discussions centered on securing Wolfsburg for production of the "new Golf" (Golf 6, which is due to appear on the market in 2008), and that the talks had nothing to do with the production of the Golf 5 model in Brussels, is untrue. Since the start of the year Wolfgang Bernhard, the executive committee member responsible for the reorganization of the VW products, has repeatedly stressed that the current production of the Golf model at three different locations—Brussels, Wolfsburg and Mosel—was unprofitable and that production of the Golf 6 should be limited to two locations.

Bernhard has already displayed his credentials when it comes to such rationalization measures. Before switching to Volkswagen from Mercedes in February 2005 he was responsible, on behalf of the Daimler company, for the reorganization of the US Chrysler division in Detroit. There he slashed 26,000 jobs in a short space of time, sold off several manufacturing plants, closed others and dictated conditions for Chrysler suppliers, which led to billions in savings for DaimlerChrysler. He is now carrying out the same work at Volkswagen with the active support of the works council.

Works council head Bernd Osterloh is full of praise for Bernhard's "decisive and energetic manner." On July 26 this year the German magazine *focus* published an article with the title "Praise for Bernhard," writing, "According to the report (which had previously appeared in the *Stern* magazine) the works council boss expressly praised the Volkswagen brand head, saying, 'In the person of Wolfgang Bernhard there is finally someone who really gives some thought to how one can construct an auto more economically.' Osterloh added enthusiastically, 'The production time for the Volkswagen Golf at the main plant in Wolfsburg has already been reduced from 50 to 37 hours.'"

The fact that the German works councils agreed to an extension of working times without compensation together with other worsened conditions for auto workers in order to secure production of the Golf at German locations is illustrated by the following sequence of events.

In February the company's executive committee announced a "profound restructuring program." Labor costs in the German works

would have to be lowered considerably and production utilization increased. From the total of 100,000 VW workers in Germany about 20,000 jobs, “directly or indirectly relating to the Volkswagen brand name,” would be threatened.

An initial statement by the works council and IG Metall stated at the time, “In view of the difficult situation confronting the company we also see the necessity for measures to improve efficiency and to overcome productivity deficits.” The trade union and works council pointed out that they had stressed and cooperated “in the past towards the optimization of processes and the significance of innovative forms of labor organization.”

At the end of September last year IG Metall had already agreed to wage cuts of 20 percent for some sections of staff. The management had announced its decision to produce the new Volkswagen jeep in Portugal, rather than at its main plant in Wolfsburg. Production costs at the Palmela works in Portugal are around 1,000€ lower (per auto) than in Germany. The jeep could be produced in Germany only on the basis of drastic wage cuts. IG Metall yielded to the company’s extortion and then praised the agreement as a “success for the defense of jobs.”

A very similar process took place this spring. Volkswagen boss Bernhard demanded the end of the four-day week at the company and a return to the 35-hour week without any increase in pay. Otherwise, he said, it would be impossible to concentrate Golf production at German locations. The works council and IG Metall immediately indicated their willingness for talks.

Negotiations began in the spring, and then in the summer developed into official talks for a new contract, although the existing contract was due to run until 2011. The works councils were ready to agree to substantially-worsened working conditions for VW workers in exchange for guarantees of jobs at German plants. In the course of these negotiations the formulation “concentration of Golf production at German locations” was developed to cover up the transfer of Golf production away from Brussels.

Only after the company management had agreed to the concentration of Golf production at German plants did works council and IG Metall functionaries give their agreement to the extension of working times without pay and signed the contract.

In other words, the transfer of Golf production from Brussels to Wolfsburg and Mosel was a central component of negotiations from the outset. The same works councils, which are currently writing declarations of solidarity to striking VW workers in Brussels and crying crocodile tears over the loss of Volkswagen jobs in a neighboring country, were in fact directly involved in this decision.

It is recognition of the role played by the works councils and union officials that has led Volkswagen management to reward the services of the former with extravagant bribes, the financing of luxury voyages around the world and numerous other privileges.

The case of former works council head Klaus Volkert is now well known. His monthly salary from VW amounted to 60,000€ and this sum did not include regular expenses paid by the company for the upkeep of his Brazilian mistress. But Volkert is not the only one. The entire Volkswagen works council—67 full-time, highly paid functionaries in Wolfsburg alone—have been bought off and function as nothing less than co-managers in collaboration with company management.

Bernd Osterloh has been a member of the Wolfsburg works council for the past 16 years and was Volkert’s deputy before his resignation following the revelations of latter’s corruption. Osterloh is not

directly part of Volkert’s clique, however, and it may well be that he only played a subsidiary role or perhaps no role in the known cases of excesses and nepotism. But this does not improve the matter. Osterloh is a convinced advocate and enthusiast for the German system of labor-management collaboration.

Working closely with the former personnel chief Peter Hartz, it was Osterloh who elaborated the working time model known as “5,000 times 5,000,” which is currently being used to implement drastic wage cuts at Germany’s main VW complex.

Against a background of global competition and the constant threat to shift production to cheap wage countries, Osterloh is one of those works council and union officials who see their jobs as defending their own factories by undercutting workers in other VW facilities outside Germany and within the country itself.

The principled defense of all jobs at all locations is only possible in a struggle against such unionized co-managers.

Workers in Wolfsburg or Mosel cannot allow themselves to be played off against their colleagues in Brussels. They must demand that all works council members and trade union representatives who took part in negotiations reveal the contents of the contract talks and produce the minutes of the discussion held on the transfer of production of the Golf model.

The principled defense of all jobs at all locations requires a completely different perspective to the trade unions’ policies of co-determination (Mitbestimmung) and social partnership. This perspective must proceed from the international character of modern production and the common interests of all workers worldwide, and it must advocate a socialist transformation of society. The social interests of the population as a whole must have priority over the profit interests of big business.

Therefore, on leaflets distributed by supporters of the *World Socialist Web Site* (WSWS) in Brussels and Wolfsburg we have called for the building of defense committees against mass redundancies and welfare cuts, which oppose the nationalist policies of the trade unions and works councils. Once again we call upon all those who support the struggle by Volkswagen workers in Brussels or wish to take part in the building of defense committees in other enterprises to contact the WSWS editorial board.



To contact the WSWS and the Socialist Equality Party visit:

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